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> DOCKET 01-AFC-20 DATE APR 24 2006 RECDPR 24 2006

April 24, 2006

BY HAND DELIVERY

James D. Boyd Presiding Member California Energy Commission 1516 Ninth Street Sacramento, CA 95814

Re:

Avenal Energy Project (Docket No. 01-AFC-20): Request for Extension of Existing

Suspension to May 1, 2007

Dear Commissioners:

On behalf of Federal Power Avenal, LLC ("Avenal") I am writing to request that the California Energy Commission (the "Commission") extend the existing suspension of review of the Avenal Energy Project (the "Project") to May 1, 2007. This request is in accordance with your *Order Suspending AFC Review to May 1, 2006*, dated April 25, 2005. Avenal has not secured a power purchase contract for this site, Avenal is actively marketing the Project. Unfortunately, Avenal was not selected in Pacific Gas and Electric Company's ("PG&E") 2004 Long Term Power Purchase Request for Offers, but Avenal did submit a proposal. As further solicitations come from either PG&E or Southern California Edison, Avenal will work to create a competitive proposal. Furthermore, Avenal has not limited its marketing efforts to investor owned utility requests for offers but also actively seeks power sales or other agreements with publicly owned utilities and other power purchasers.

Even though the permitting process has not proceeded, Avenal has and continues to actively market the Project, which is able to participate in both northern and southern California energy markets. Furthermore and unlike the Potrero Power Plan Unit 7 Project, the suspension of this Project does not and has not negatively impacted any other project. No project has been subject to additional analysis or mitigation because of the suspension of permitting of the Project. Also, Avenal is not aware of any parties that object to the continued suspension of this Project.

Should the Commissioners grant this extension, Avenal proposes to meet with Commission Staff when this Project is ready to move forward and discuss the existing environmental analysis and the areas that will need to be updated. Avenal intends to work with Commission Staff at that time to develop a plan for bringing any stale analysis or studies up to current conditions so that the Commission will have a solid record on which to base its decision.

Even so, Avenal believes that the information included in the original Application for Certification and the Preliminary Staff Assessment for this Project will prove useful when this proceeding is reconvened. Avenal has been respectful of both the Commission and its Staff's resources by not proceeding to license this Project when the timetable for construction of the project was indefinite. Although some information will need to be updated and supplemented, any Commission Staff review or document preparation time that can be avoided through the use of existing documents should be maintained by continuing to suspend this Project.

Avenal is not sitting idle but is actively and aggressively marketing this Project. Avenal believes that its presence in the market helps to maintain a healthy competition for the energy supply for California consumers. As such, Avenal has maintained site control and plans to proceed with licensing of this Project when electricity sales or a Project sale can be consummated. Avenal has also maintained its position in the Pacific Gas and Electric Company queue for interconnection purposes. Avenal will notify the Commission and meet with the Commission Staff when the Project is ready to continue the review process.

If you have any questions about this request please do not hesitate to contact me.

Very truly yours,

Lune Educkhardt

Jane E. Luckhardt

JEL:cnb

cc: Gary Fay, Hearing Officer

Lance Shaw, Project Manager Lisa DeCarlo, Staff Counsel

Steven Gilliland, Federal Power Avenal, LLC

Docket (12 copies)

Service List (01-AFC-20)

STATE OF CALIFORNIA

Energy Resources Conservation and Development Commission

In the Matter of:

Application for Certification for the AVENAL ENERGY Project

Docket No. 01-AFC-20

PROOF OF SERVICE [*REVISED 8/1/05]

DOCKET UNIT

Instructions: Send an original signed document plus 12 copies or an electronic copy plus one original paper copy to the address below:

CALIFORNIA ENERGY COMMISSION DOCKET UNIT, MS-4 Attn: Docket No. 01-AFC-20 1516 Ninth Street Sacramento, CA 95814-5512

Also send a printed **or** electronic copy of all documents to each of the following:

APPLICANT

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INTERESTED AGENCIES

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Steven Sopp, Director Planning and Development City of Avenal 919 Skyline Blvd. Avenal, CA 93204

<u>INTERVENORS</u>

*California Unions for Reliable Energy (CURE) c/o Marc D. Joseph, Esq. Adams Broadwell Joseph & Cardozo 651 Gateway Boulevard, Suite 900 South San Francisco, CA 94080 _____

INTERNAL DISTRIBUTION LIST

FOR YOUR INFORMATION ONLY! Parties **DO NOT** mail to the following individuals. The Energy Commission Docket Unit will internally distribute documents filed in this case to the following:

JAMES D. BOYD, Commissioner Presiding Member MS-34

WILLIAM J. KEESE, Chairman Associate Member MS-32

GARY FAY Hearing Officer MS-9

LANCE SHAW Project Manager MS-15

LISA DE CARLO Staff Counsel MS-14

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PUBLIC ADVISER

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DECLARATION OF SERVICE

I, Colleen Bullock, declare that on April 24, 2006, I deposited copies of the attached Request for Extension of Existing Suspension in the United States mail at 555 Capitol Mall, 10th Floor, Sacramento, CA 95814, with first class postage thereon fully prepaid and addressed to those identified on the Proof of Service list above. Transmission via electronic mail was consistent with the requirements of California Code of Regulations, title 20, sections 1209, 1209.5, and 1210. I declare under penalty of perjury that the foregoing is true and correct.

Colleen Bullock